

VZCZCXRO9029
PP RUEHDE
DE RUEHBM #0559 0901654
ZNY CCCCC ZZH
P 311654Z MAR 06
FM AMEMBASSY BUCHAREST
TO RUEHC/SECSTATE WASHDC PRIORITY 4096
INFO RUEHAD/AMEMBASSY ABU DHABI 0037
RUEHAM/AMEMBASSY AMMAN 0033
RUEHGB/AMEMBASSY BAGHDAD 0060
RUEHLB/AMEMBASSY BEIRUT 0038
RUEHUP/AMEMBASSY BUDAPEST 1054
RUEHLO/AMEMBASSY LONDON 0180
RUEHBH/AMEMBASSY NASSAU 0037
RUEHNC/AMEMBASSY NICOSIA 0337
RUEHZP/AMEMBASSY PANAMA 0006
RUEHDE/AMCONSUL DUBAI 0005
RUCNDT/USMISSION USUN NEW YORK 0103

C O N F I D E N T I A L BUCHAREST 000559

SIPDIS

SIPDIS

STATE FOR IO/PSC - LIZ PARKER
STATE ALSO FOR EUR/NCE - WILLIAM SILKWORTH

E.O. 12958: DECL: 03/27/2016
TAGS: [PREL](#) [KFIN](#) [PGOV](#) [KCRM](#) [IZ](#) [RO](#)
SUBJECT: INDEPENDENT INQUIRY COMMITTEE FOLLOW-UP: ROMANIAN
PROSECUTORS PURSUING OIL-FOR-FOOD INVESTIGATION

REF: A. SECSTATE 40595

[1](#)B. BUCHAREST 400
[1](#)C. BUCHAREST 289

Classified By: Deputy Chief of Mission Mark Taplin for reasons 1.5 (b) and (d).

[1](#)1. (SBU) Econoff met with the spokesman for the Romanian Prosecutor General's Office (PGO), Robert Cazanciuc, as well as Ciprian Nastasiu, the lead prosecutor on an open case with links to the UN Oil-for-Food Program (OFF). According to Nastasiu, the PGO has been investigating connections to Iraqi oil imports since June 2005, before the release of the OFF Independent Inquiry Committee report.

[1](#)2. (C) The PGO has opened an investigation (file no. 628) on former Rompetrol Chairman Dinu Patriciu and Romanian-Syrian businessman Omar Hayssam in connection with money laundering, black-marketeering and weapons smuggling. Hayssam is under arrest for charges related to the March 2005 kidnapping of Romanian journalists in Iraq. Patriciu and his American partners, Phil Stephenson and Colin Hart, are currently under criminal investigation for charges connected to their acquisition of the formerly state-owned oil company Rompetrol in 1998. Rompetrol was listed in an annex to the Independent Inquiry Commission's report as having participated in the OFF program. The company was not adversely mentioned in the main report. Rompetrol admits no wrongdoing in connection to the OFF program. Their public response to their OFF involvement can be found at: www.rompetrol.com/media_opportunities/industry_news/news.php?id=86. Nastasiu made no mention of any American citizens during the discussion.

[1](#)3. (C) Reading from the file, Nastasiu described an operation run by Patriciu and Hayssam from 2001-2004 involving "25,000 tons" of oil, false certificates of origin, and money laundering in at least three countries. According to the file, the two imported oil under the OFF, obtaining financing through banks in Jordan and Dubai and receiving a \$6 per barrel discount. Their intermediaries included Iraqi citizen Amer Obaid (spelling uncertain) and a Lebanese citizen known as Ismael. Aside from oil imported under the OFF rules, false certificates of origin, including Iranian certificates,

were used to skirt embargo limits. Iraqi oil found its way to Hungary, Cyprus and Romania, and profits were laundered through banks in the Bahamas, Panama and the UAE. According to the dossier, Patriciu opened an office in Dubai to coordinate gulf imports, but it was later shut down under pressure from British and American officials.

¶4. (C) While Nastasiu did not share specifics, he stated that Patriciu and Hayssam were also suspected of involvement in weapons smuggling in connection with Iraqi oil imports.

¶5. (C) Comment: The Rompetrol case (see Reftels B and C) is an ongoing national drama that combines intrigue, courtroom drama and serious allegations of corruption and wrongdoing. It is hard to assess the validity of these charges. Some allege that President Basescu is behind the various investigations directed against Patriciu, who is a longstanding political rival of the Romanian president and a close associate of PM Tariceanu. While Romanian government sources have asserted confidentially to Embassy since last fall that a criminal Hayssam-Patriciu link existed, the alleged link to the Oil for Food scandals is a new point of emphasis. End Comment.
TAUBMAN